crores are at least in Government's hand and it does not lose interest on that.

I want hon. Minister's specific replies to these two questions.

SHRI J. VENGAL RAO': Sir, the companies are disputing 11 crores. To examine whether their dispute is correct or not—only for that we have appointed this committee.

Secondly, there is nothing on which hon. Members need protection from you. I am not doing anything because I am answering all their questions.

MR. CHAIRMAN: Question No. 142.

Slump in prices of crude oil

•142. SHRIMATI RENUKA CHOWDHURY: SHRI BHAGAT RAM MANHAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a heavy slump in the prices of crude oil which has reached the level of 1974;

(b) if so, what are the details thereof; and

(c) whether in view of the heavy slump in crude oil prices, Government propose to reduce the prices of Petroleum products in the country and if not, what are the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) Yes, Sir.

(b) The prices of actively traded erudes of interest to us are ranging between $ 10.5/bbl to $ 11/bbl.

†The question was actually asked on the floor of the House by Shrimati Renuka Chowdhury.

(Q) Under the aoministered pricing policy for petroleum products, prices, are generally not revised with the fluctuations in the prices in the international market of crude oil and petroleum products.

SHRIMATI RENUKA CHOWDHURY: Sir in part (c), it has been stated:

> "Under the administered pricing policy for petroleum products, prices are generally not revised with the fluctuations i_n the prices in the international market of crude oil and petroleum products".

When we are increasing the price of petroleum products and petrol in our country directly in relevance to the fact that there is an upward increase in world prices of crude, why is it that you are not considering it when the prices lower internationally?

SHRI BRAHM DUTT; Sir, I have already submitted that the decrease or increase in the administered pricing is not related to international price of crude oil.

SHRIMATI RENUKA CHOWDHURY: Based on what do you price your product here in the country? Is it not based on international price?

MR. CHAIRMAN: Kindly hear him.

SHRI BRAHM DUTT: This is not directly revised, generally, with the fluctuations in the international market prices. Under the administered pricing policy, We have to achieve certain goals, certain economic objects and these administered prices are fixed in such a way that some products are highly subsidised— like kerosene, LPG and naphtha for production of' fertilizers. Other fuels like petrol are priced in such a manner as to promote their economic anfl and efficient use. The policy of ad-ministered prices has been largely successful in insulating the consumer and the vital sectors of our economy

from violent fluctuations in international oil market. Therefore we have got a different system. It is not related to the fluctuations in the international price of crude.

SHRIMATI RENUKA CHOWDHURY; Sir, he has not answered my question. Based on what do you decide your upward rise in price? It is all right, you are not going by the international prices. Will you please tell us based on what do you go towards your upward rise hi price?

DR. G. VIJAYA MOHAN REDDY: Their budgetary requirements.

SHRI BRAHM DUTT; We try to contain consumption of items like petrol. Secondly, the demand for high speed diesel last year had gone up by 30 per cent. We had to supply it at subsidised rates. Then kerosene is a poor man's fuel. We have to subsidise it. And from every State, there is a demand for more and more kerosene. Therefore we have to adjust all that. Moreover, we have to keep the oil industry in good shape, so that they have got internal resource generation to explore and put up more refineries and allied activities.

SHRIMATI RENUKA CHOWDHURY: I want to know if the Minister could please give me data...

MR. CHAIRMAN: Shri Bhagat Ram Manhar.

SHRIMATI RENUKA CHOW DHURY: Sir, I am entitled to two supplementaries. I want to know the actual cost...

MR. CHAIRMAN: This is your third question.

SHRIMATI RENUKA CHOWDHURY; No, Sir, this is my second question.

MR. CHAIRMAN: Anyway, go ahead.

SHRIMATI RENUKA CHOWDHURY: Sir, he did not answer my first question

MR. CHAIRMAN: This is, her repeat performance.

SHRIMATI RENUKA CHOWDHURY: What is the actual cost at which you are procuring the crude and what is the tax level on it? You are concerned about the common man, and you are subsidising the LPG, you are subsidising kerosene, you are subsidising God knows what else, and still it is costing the common man so much.

SHRI M. S. GURUPADASWAMY: Subsidising God also.

SHRIMATI RENUKA CHOWDHURY; Yes, subsidising God. I would like to know what exactly the actual cost is at which you are procuring and the difference at the retail level, say, of petrol.

SHRI BRAHM DUTT; Sir, crude oil prices fluctuate. *(.Interruptions)* Let me answer a part of it. Please hear. I am going to answer all questions.

MR. CHAIRMAN: A part is on fluctuation.

SHRI BRAHM DUTT: That is a part and parcel of that. The main question was this. In 1985-86 we had to pay about $ 25.70 a barrel. In 1936-87 it came down to $ 14. In 1987-88 it again went up to $ 17.50. In 1988-89 up to October ... *(Interruptions)* I would request the Members, when tbey want full information, to have full information. In 1988-89 up to October we were paying $ 14.16. I do not know for how many days. Today the OPEC people are meeting. Tomorrow they may decide.

SHRI SUBRAMANIAN SWAMY: The question is how much the cost of petrol is to you and how much you are charging the consumer. What is the difference? Th? crude oil price is coming down. Why is the petrol

price going up? What is the *jadoo* you are doing?

MR. CHAIRMAN: He says, they are subsidising for other products.

SHRI BRAHM DUTT: Sir, I am submitting that the crude oil price is not always going down. It always go up and comes down.

SHRI SUBRAMANIAN SWAMY: It has come down from dollar 25 to dollar 11. *(.interruptions)*.

श्रीमती रेणुका चौधरी : श्रीमन्, मेरा सवाल यह है कि आप कितनेमें खरीदते हैं बेचते कितने में है? इसका जवाब नही आया है ।

SHRI SUBRAMANIAN SWAMY: At; what cost do you buy petrol and what cost are you changing the con sumer? (

SHRI BRAHM DUTT: Sir, I have told the price at which we are getting crude. *(Interruptions)* We are not importing, petrol. We are importing crude oil.

SHRI SUBRAMANIAN SWAMY: But the cost of petrol, you can calculate.

SHRIMATI RENUKA CHOWDHURY: Then why did you talk of kerosene, why did you talk of LPG? Why did you talk of all that?

SHRI M. S. GURUPADASWAMY: As far as the country is concerned, the whole country is exercised over t]ie petrol price. The petrol price has got to be brought down. If there are fluctuations, let there be fluctuations. *(Interruptions)*

SHRI SUBRAMANIAN SWAMY: And world over the petrol prices are coming down. Even in the United States its price is down to 90 cents. felt here its price is going up.

SHRI BRAHM DUTT: Mr. Subramanian Swamy, we are not going to copy the United States. The United States has no relevance to us. They are rich people. We have to take care of the poor people of this country. We are not Americans. (Interruptions).

SHRIMATI RENUKA CHOWDHURY; At what cost is he buying petrol and at what cost is he selling it to the consumers? That is what I am asking. *(Interruptions).*

MR. CHAIRMAN: As far as I have understood, the Minister says that there are so many products and byproducts. Some are needed by poorer sections. What is needed by the poorer sections and what is needed by richer sections, he just adjusts.

SHRI M. S. GURUPADASWAMY: Prices of petrol, kerosene, everything have got to be brought down. Yau are increasing the cost of the economy. You are producing a high-cost economy. Petrol forms a very important element in the cost. You are not following a rational poHcy in respect of Petrol. *(Interruptions)*

SHRI BRAHM DUTT: Sir, for us, what is more important is, kerosene oil we are subsidising to the extent of Rs. 926 crores per annum. Another, LPG, Rs. 205 crores, per annum. Then, bitumen, then naphtha for fertilizer, Rs. 255 crores. The total subsidy we are giving is Rs. 1571 crores for poor people. *(Interruptions)* Prices should be related to cost. Production cost has been poor and there is no rationale between these two.

SHRI SUBRAMANIAN SWAMY: Why are they not reducing petrol prices?

SHRI BHAGATRAM MANHAR: Price of crude oil was 34 dollars per barrel in 1980. Now it has come down, as you have rightly said, to 11 dollars. When prices increase, they are immediately passed on to the consumers. What are the reasons for not passing on to the benefits to domestic consumers, when the prices come down?

Oil and Natural Gas Commission has anticipated production level of about 4.5 million tonnes of crude oil from southern region by the end of 1989. A production level of about 0.2 million tonnes of oil and about four lakh cubic metres of gas per day is likely to be reached. My question is about the import of crude oil by the Government. I would like to know whether the Government will reduce the imports in view of increased level of production and also what is the total foreign exchange component that is being incurred at present on the import of crude and to what extent outgo of the foreign exchange will be reduced on account of increased level of production in India during the next few years?

SHRI BRAHM DUTT; We are trying to increase the production of crude oil and also gas which can replace the liquid petroleum products. But the demand is also going up by about 7 to 8 per cent, especially in items consumed by farmers and by the common man, such as kerosene, HSD and all that.

About the other part of the question, we have spent 4,316 crore rupees in 1985-86, 2,294 crore rupees in 1986-87 3,787 crore rupees in 1987-88 and estimated 3,978 crore rupees in 1988-89. So, these are fluctuations. Tomorrow we may have to pay something more, but we have to try to take benefit. We do not import any unnecessary quantity. Whatever 3s the gap between the domestic production and consumption, that we import.

SHRI PAWAN KUMAR BANSAL: Though we are all affected by the galloping inflation, yet I do find rationale in the concept *of* administered prices. Nevertheless, I would like to know from the hon. Minister whether the policy of subsidising LPG would be further pursued particularly in the hilly areas and the inaccessible tribal areas to check the illegal felling of trees.

SHRI BRAHM DUTT; I agree with the hon. Member in toto. Recently we have taken a decision that the entire extraburden in the hilly areas identified by the Planning Commission will be borne by us and we will not pass on the burden to any other consumer. That will cost us about (Rs. 2 crores. We are trying to create some more extension points in "all hilly areas, in Kashmir, in Himachal Pradesh...

MR. CHAIRMAN: In the forest areas.

SHRI BRAHM DUTT: Yes, in the forest areas. Our difficulty is the non-availability of bulk LPG. As soon as it is available, we will increase it further.

श्री चतुरानन मिश्र : सभापति महोदय, यह तो ठीक है आप केरोसीन तेल के लिए सबसिडी दे रहे हैं। यह उचित पालिसी है। फर्टिलाइजर के लिए कर रहे हैं यह भी ठीक है । लेकिन आप को यह कहने में क्या एतराज है जो क्रूड आयल आप मेनुफेक्चर करते हैं अलग-अलग जगहों पर उसके प्राइस कम्पोनेंटस क्या है कितना कास्ट ऑफ प्रोडक्शन है, कितना टैक्स और कितनी सबसिडी आप दे रहे हैं। इसलिए मैं मंत्री महोदय से यह जानना चाहता हूं कि डीजल और पेट्रोल का क्या कास्ट आफ प्रोडक्शन है आफ्टर रिफाइनिंग इट और उसमें कितना एलीमेंट आफ टेक्सेशन है और कितना आप उस उद्योग की उन्नति के लिए डवलपमेंट के लिए लेते हैं या रिटेंशन प्राइस लेते हैं । इसको अलग-अलग करके यहां कहिये ताकि सदन इसको जान सके देश भी इसको जान सके । यह आप का प्राइवेट हजबेंड वाइफ का रिलेशन नहीं है जिसको इतना सिक्रेट रख रहे हैं। माननीय सदस्य आप से यह पूछ रहे हैं और आप छिपा रहे हैं जैसे कोई अपकर्म करते हों जितने विभिन्न कम्पोनेटस के बारे में पूछा गया है आप सीधे सीधे सदन में कह दीजिए ।

श्री सभापति : यह छिपाने का सवाल नहीं है ।

श्री ब्रहम दत्त : सभापति जी, मैं छिपा बिलकुल नहीं रहा हूं । इसके कम्पोनेंट्स जो हैं उनमें पहला आइटम है क्रूड आयल की कास्ट और दूसरा आइटम है रिफाइनिंग की कास्ट । क्रूड आयल की कास्ट फिक्सड तो है नहीं । जो क्रूड आयल है उसकी कास्ट तो हर दिन हर हफ्ते बदलती है । (**व्यवधान**) आप कहें तो मैं यह पूरी सूचना प्रतिशत में कितना है सदन को उपलब्ध करा दूंगा । मुझे इसमें कोई एतराज नहीं है ।

MK. CHAIRMAN: Very good.

SHRI KAPIL VERMA: Mr. Chairman, Sir, the Minister has said just now about the items being subsidised for the poor people. May I know from the Minister what is the saving in expenditure on subsidy because of the fall in prices?

Secondly, may I also know from the Minister whether the Govem-ment is going to reduce the price of kerosene which is mostly used by the poor people?

SHRI BRAHM DUTT: Sir, actually savings depened on the prices prevailing at a particular time. In the current year we propose to save about $ 335 million. As regards reducing the kerosene price, I cannot make a raromise. We don't have any proposal to increase the prices of petroleum products.

SHRI KAPIL VERMA: Will you consider reducing the price of kerosene?

SHRI BRAHM DUTT: When the time comes.

Specially designed generators for rural areas

•143. DR. RATNAKAR PANDEY: t SHRI SURENDRA SINGH THAKUR: Will the Minister of ENERGY be

tThe question was actually asked on the floor of 3-the House by Dr. Ratnakar Pandey.

pleased to state:

(a) whether his Ministry is considering any proposal to couple specially designed generators to wheels in rural areas in the country to generate enough power for small and limited purposes; and

(b) if so, what are the details thereof?

THE MINISTER OF ENERGY (SHRI VASANT SATHE); (a) and (b) A statement is laid on the Table of the House.

Statement

(a) and (b) Yes, Sir. The Department of Non-Conventional Energy Sources has sponsored projects on harnessing animal and human power for generation of small quantities of electricity for use in rural ajreas. A bullock driven prototype has already been developed and is being tested. This charges standard 12 V battafry in about 3 hours, using two bullocks. Further studies are being undertaken to improve its efficiency and make it more compact.

In addition, prototypes using cycle wheels to generate electricity power have been developed. Proposals for coupling potters' wheels and other systems to small generating units are also being wefked upon.

डा० रत्नाकर पांडेय : माननीय सभापति जी, पहियों के साथ विशेष डिजाइन वाले जेनरेटरों को जोड़ देने से बिजली का उत्पादन बढ़ाने की योजना अपारंपरिक ऊर्जा स्रोत विभाग ने ग्रामीण क्षेत्रों के लिए मानव तथा पशु शक्ति से थोड़ी मात्रा में विद्युत प्राप्त करने के लिए बनाई है और यह ऊर्जा मंत्रालय का एक अच्छा प्रयोग है जनता की बिजली की आवश्यकताओं की पूर्ति के लिए । इसके लिए "मिनी जेनरेटर्ज प्लान फार विलेजेस" शीर्षक से एक